

Message Text

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EXDIS

FROM ROBINSON

E.O. 11652 GDS

TAGS: ETRD UR US

SUBJ: SOVIET GRAIN SALE NEGOTIATIONS

1. FOLLOWING IS TEXT OF GRAIN AGREEMENT AS IT HAS EMERGED FROM TWO LONG OCT 7 SESSIONS OF GRAIN WORKING GROUP, BEFORE AND AFTER ROBINSON-PATOLICHEV MEETING. IT IS AD REFERENDUM TO HEADS OF DELEGATION, WHO AGREE, AND TO GOVERNMENTS. MY COMMENTS FOLLOW SEPTEL.

2. SUBJECT TO RESERVATION THAT HEADS OF DELEGATION CONFIRM AGREEMENT AND WE OBTAIN AUTHORITY FROM WASHINGTON, WE PLAN CONFORM ENGLISH AND RUSSIAN TEXTS IN ANTICIPATION OF INITIALING SHORTLY. AS WE NOW ENVISAGE PROCESS, INITIALING HERE WOULD BE FOLLOWED BY CONGRESSIONAL CONSULTATIONS IN WASHINGTON PRIOR TO FINAL SIGNATURE OF AGREEMENT SHORTLY AFTER OCT 10 CROUP ESTIMATE IS RELEASED AND ANY NECESSARY DECISIONS MADE CONCERNING SUPPLEMENTARY SOVIET PURCHASES THIS YEAR.

3. BEGIN TEXT

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND
THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS
ON THE SUPPLY OF GRAIN

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THE GOVERNMENT OF THE UNITED STATES OF AMERICA ("USA") AND
THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS ("USSR");

RECALLING THE "BASIC PRINCIPLES OF RELATIONS BETWEEN THE
UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS"
OF MAY 29, 1972;

DESIRING TO STRENGTHEN LONG-TERM COOPERATION BETWEEN THE TWO
COUNTRIES ON THE BASIS OF MUTUAL BENEFIT AND EQUAILITY;

MINDFUL OF THE IMPORTANCE WHICH THE PRODUCTION OF FOOD,
PARTICULARLY GRAIN, HAS FOR THE PEOPLES OF BOTH COUNTRIES;

RECOGNIZING THE NEED TO STABLIZE TRADE IN GRAIN BETWEEN THE
TWO COUNTRIES;

AFFIRMING THEIR CONVICTION THAT COOPERATION IN THE FIELD OF
TRADE WILL CONTRIBUTE TO OVERALL IMPROVEMENT OF RELATIONS BETWEEN
THE TWO COUNTRIES;

HAVE AGREED AS FOLLOWS:

ARTICLE I

THE GOVERNMENT OF THE USA AND THE GOVERNMENT OF THE USSR HEREBY
ENTER INTO AN AGREEMENT FOR THE PURCHASE AND SALE OF WHEAT AND CORN
FOR SUPPLY TO THE USSR. TO THIS END, DURING THE PERIOD THAT THIS
AGREEMENT IS IN FORCE, EXCEPT AS OTHERWISE AGREED BY THE PARTIES,
(I) THE FOREIGN TRADE ORGANIZATIONS OF THE USSR SHALL PURCHASE FROM
PRIVATE COMMERCIAL SOURCES, FOR SHIPMENT IN EACH TWELVE MONTH PERIOD
BEGINNING OCTOBER 1, 1976, SIX MILLION METRIC TONS OF WHEAT AND CORN,
IN APPROXIMATELY EQUAL PROPORTIONS, GROWN IN THE USA; AND (II) THE
GOVERNMENT OF THE USA SHALL EMPLOY ITS GOOD OFFICES TO FACILITATE
AND ENCOURAGE SUCH SALES BY PRIVATE COMMERCIAL SOURCES.

THE FOREIGN TRADE ORGANIZATIONS OF THE USSR MAY INCREASE THIS
QUANTITY WITHOUT CONSULTATIONS BY UP TO TWO MILLIN METRIC TONS IN
ANY TWELVYIMONTH PERIOD, BEGINNING OCTOBE 1, 1976 UNLESS THE
GOVERNMENT OF THE USA DETERMINES THAT THE USA HAS A GRAIN SUPPLY
OF LESS THAN 225 MILLION METRIC TONS AS DEFINED IN ARTICLE 5.

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PURCHASES/SLAES OF WHEAT AND CORN UNDER THIS AGREEMENT WILL BE
MADE AT THE MARKET PRICE PREVAILING FOR THESE PRODUCTS AT THE TIME
OF PURCHASE/SALE AND IN ACCORDANCE WITH NORMAL COMMERCIAL TERMS.

ARTICLE II

DURING THE TERM OF THIS AGREEMENT, EXCEPT AS OTHERWISE AGREED

BY THE PARTIES, THE GOVERNMENT OF THE USA SHALL NOT EXERCISE ANY DISCRETIONARY AUTHORITY AVAILABLE TO IT UNDER UNITED STATES LAW TO CONTROL EXPORTS OF WHEAT AND CORN PURCHASED FOR SUPPLY TO THE USSR IN ACCORDANCE WITH ARTICLE I.

ARTICLE III

IN CARRYING OUT ITS OBLIGATIONS UNDER THIS AGREEMENT, THE FOREIGN TRADE ORGANIZATIONS OF THE USSR SHALL ENDEAVOR TO SPACE THEIR PURCHASES IN THE USA AND SHIPMENTS TO THE USSR AS EVENLY AS POSSIBLE OVER EACH 12-MONTH PERIOD.

ARTICLE IV

THE GOVERNMENT OF THE USSR SHALL ASSURE THAT, EXCEPT AS THE PARTIES MAY OTHERWISE AGREE, ALL WHEAT AND CORN GROWN IN THE USA AND PURCHASED BY FOREIGN TRADE ORGANIZATIONS OF THE USSR SHALL BE SUPPLIED FOR CONSUMPTION IN THE USSR.

ARTICLE V

IN ANY YEAR THIS AGREEMENT IS IN FORCE WHEN THE TOTAL GRAIN SUPPLY IN THE USA, DEFINED AS THE OFFICIAL UNITED STATES DEPARTMENT OF AGRICULTURE ESTIMATES OF THE CARRY-IN STOCKS OF GRAIN PLUS THE OFFICIAL UNITED STATES DEPARTMENT OF AGRICULTURE FORWARD CROP ESTIMATES FOR THE COMING CROP YEAR, FALLS BELOW 225 MILLION METRIC TONS OF ALL GRAINS, THE GOVERNMENT OF THE USA MAY REDUCE THE QUANTITY OF WHEAT AND CORN AVAILABLE FOR PURCHASE BY FOREIGN TRADE ORGANIZATIONS OF THE USSR UNDER ARTICLE I (I).

ARTICLE VI

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WHENEVER THE GOVERNMENT OF THE USSR WISHES THE FOREIGN TRADE ORGANIZATIONS OF THE USSR TO BE ABLE TO PURCHASE MORE WHEAT OR CORN GROWN IN THE UNITED STATES THAN THE AMOUNTS SPECIFIED IN ARTICLE I, IT SHALL IMMEDIATELY NOTIFY THE GOVERNMENT OF THE USA.

WHENEVER THE GOVERNMENT OF THE USA WISHES PRIVATE COMMERCIAL SOURCES TO BE ABLE TO SELL MORE WHEAT OR CORN GROWN IN THE UNITED STATES THAN THE AMOUNTS SPECIFIED IN ARTICLE I, IT SHALL IMMEDIATELY NOTIFY THE GOVERNMENT OF THE USSR.

IN BOTH INSTANCES, THE PARTIES WILL CONSULT AS SOON AS POSSIBLE IN ORDER TO REACH AGREEMENT ON POSSIBLE QUANTITIES OF GRAIN TO BE SUPPLIED TO THE USSR PRIOR TO PURCHASE/SALE OR CONCLUSION OF CONTRACTS

FOR THE PURCHASE/SALE OF GRAIN IN AMOUNTS ABOVE THOSE SPECIFIED IN
ARTICLE I.

ARTICLE VII

IT IS UNDERSTOOD THAT THE SHIPMENT OF WHEAT AND CORN FROM THE
USA TO THE USSR UNDER THIS AGREEMENT SHALL BE IN ACCORD WITH THE
PROVISIONS OF THE SOVIET-AMERICAN AGREEMENT ON MARTIME MATTERS
WHICH IS IN FORCE DURING THE PERIOD OF SHIPMENTS HEREUNDER.

ARTICLE VIII

THE PARTIES SHALL HOLD CONSULTATIONS CONCERNING THE IMPLEMENTATI
ON
OF THIS AGREEMENT AND RELATED MATTERS AT INTERVALS OF SIX MONTHS
BEGINNING SIX MONTHS AFTER THE DATE OF ENTRY INTO FORCE OF THIS
AGREEMENT, AND AT ANY OTHER TIME AT THE REQUEST OF EITHER PARTY.

ARTICLE IX

THIS AGREEMENT SHALL ENTER INTO FORCE ON EXECUTION AND SHALL
REMAIN IN FORCE UNTIL SEPTEMBER 30, 1981 UNLESS EXTENDED FOR A
MUTUALLY AGREED PERIOD.

DONE AT MOSCOW, THIS DAY OF OCTOBER, 1975,
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IN DUPLICATE, IN THE ENGLISH AND RUSSIAN LANGUAGES, BOTH TEXTS
BEING EQUALLY AUTHENTIC.

FOR THE GOVERNMENT OF THE FOR THE GOVERNMENT OF THE UNION
UNITED STATES OF AMERICA: OF SOVIET SOCIALIST REPUBLICS:

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